2026 EBRD–Putin fraud racket still growing

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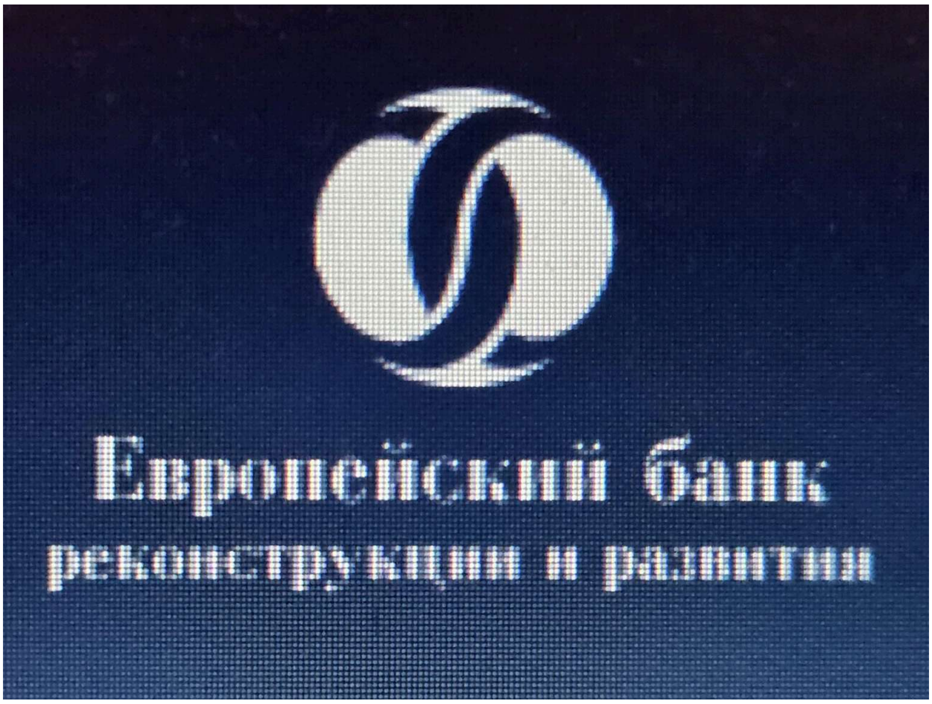

#EBRD #Putin #Dombrovskis #Latvia #Lithuania #Russia #Ukraine #fraud

'2026: EBRD-Putin fraud racket still growing' by exiled whistleblower John Christmas

INTRODUCTION

The European Bank for Reconstruction and Development 'EBRD' released its 2025 Financial Report at its 2026 annual meeting on June 5th. The meeting this year was held in Latvia, where the terms of EBRD investments are designated as 'state secrets' so anyone talking about the money Latvians lose from these investments can be imprisoned by the State Security Service.

The EBRD has been a fraud since at least 2009 when Latvian Prime Minister Valdis Dombrovskis signed a deal where Latvian taxpayers unknowingly paid 190 million euros to the EBRD which publicly paid 80 million euros to buy a stake in recently-nationalised Parex Bank. I understood the purpose of this transaction was to cover-up my 2004 whistleblowing about Parex making fraudulent loans to Russian President Vladimir Putin's oligarchs.

Dombrovskis wrote a book and travelled to make speeches about how Parex collapsed because of

According to the Spanish government, Parex was the main money launderer for Putin's Tambovskaya Mafia. This mafia, protected from prosecution by the EBRD cover-up, helped Putin steal and launder hundreds of billions of dollars in addition to the billions already stolen and laundered at Parex. Spin-offs from Parex included the money-laundering groups at Ukio Bank Lithuania, ABLV Bank Latvia, Citadele Bank Latvia, and Danske Bank Estonia. Parex channeled money to Putin frontman Eduard Khudainatov. Ukio channeled money to Putin frontman Sergey Roldugin. And, ABLV helped oligarchs Serhey Kurchenko of Ukraine and Ilan Shor of Moldova loot those countries ahead of Russia's military invasion. I can name six Putin-connected oligarchs who received fraudulent loans from Parex in case journalists would like to research this further. I have sent the fraud information to the EBRD and dozens of Western law enforcement and regulatory institutions repeatedly for years however nobody responds.

While this was going on, the European Commission selected Dombrovskis to launch the Anti-Money Laundering Authority for the European Union. Did Russian Intelligence influence the European Commission to do this? It seems too much of a coincidence that Putin's biggest protector in the EU was put in charge of fighting money laundering. The AMLA started operations in 2026 in Frankfurt and can stop Putin's money laundering any day by exposing the EBRD. However, instead the AMLA is focused on expensive and time-consuming box-ticking exercises which burden all governments, banks, and consumers without putting a dent in oligarchic money flows. AMLA duplicates functions of the Financial Action Task Force (FATF), US Treasury (FinCEN), and Council of Europe (MoneyVal) which also impose box-ticking exercises.

The EBRD wrote at the beginning of the Report that it is 'committed to the highest standards of corporate governance' and continues for a few pages about 'ethics' and 'integrity' in direct contrast to what they are really doing.

NET PROFIT AND 'UNIQUE MODEL OF INVESTMENT'

In the Report, the EBRD announced net profit was 1.3 billion euros in 2025. This compares with 1.7 billion in 2024. Are you impressed that the EBRD is able to earn large profits consistently for decades in the most dangerous countries? Normal commercial banks can't do this. Remember 'net' profit means the EBRD has this profit even after handing money to thousands of lucky people who are employees and consultants. These aren't poor people in developing countries. These are rich and influential people in London. Normal commercial banks maintain lean budgets to achieve profitability. The EBRD can give away stacks of cash to thousands of connected people with no spending discipline whatsoever, and rent the fanciest office tower at Canary Wharf, and still make fat profits.

Here is the EBRD's secret: it uses false accounting. Parex isn't the only example. The EBRD can make the reported net profit anything it wants. In the opening pages of the Report, the EBRD boasts of its 'unique model of investment' without elaborating. I can say the model is 'unique' because it's illegal. Nobody else can invest like this or they will be prosecuted. For now, American, British, and European authorities are waiving the law for the EBRD on the (wrong) assumption that the EBRD is an altruistic organisation helping the developing countries.

According to the EBRD, its investments are going to the private sector. But the investments are really high-interest loans to governments and not equity or debt investments into the private sector. For example, the EBRD-Parex deal included an equity investment in Parex which turned out to be a high-interest loan to the government. And, a loan from the EBRD to Parex which turned out to be a loan to the government. The government knew Parex was looted and insolvent, according to my whistleblowing and a leaked document from consultant Nomura. The Latvian journalist who first put the Nomura document and my whistleblowing information on his website was arrested and forced to take the website down.

A few years after the Parex cover-up, the EBRD organised a similar fraud with Parex sister-bank Ukio in Lithuania. The whistleblower from Ukio told me that he was shocked when the EBRD team arrived in Lithuania. Straight from the beginning, the EBRD team was talking about fraud. Specifically, they designed fake transactions to make Ukio assets appear valuable even though they were not. Again this served to protect Putin's criminals while punishing taxpayers. Unfortunately, the Lithuanian media refused to publish anything. I have details if any journalists are interested.

From the EBRD's 1.3 billion euros of net profit, 0.8 billion was from revaluing investments upward. I understand that many of the investments are worthless, in the sense that the underlying assets are worthless, and the high valuations are justified only because of secret reversion agreements. The EBRD calls it uses options as exit strategies. In the opinion letter at the end, Deloitte also wrote that there are options. The EBRD has been using options for many years and used to keep this completely secret. Only in recent years the options have been mentioned in the financial reports. This might be a response to my efforts to expose EBRD frauds. What the EBRD and Deloitte are doing now is admitting the options exist without giving details and downplaying the importance.

In reality, these options are extremely important. When the EBRD knowingly purchases worthless equity investments, the options are the whole deal. If the EBRD didn't receive the options it wouldn't run frauds to protect Putin's bankers.

From the standpoint of the seller, secretly paying the EBRD to buy a worthless asset is irrational because the seller loses money. Unless, as was the case with Parex-Latvia and Ukio-Lithuania, the objective of the seller was to dupe and defraud other people. By using the word 'option' instead of 'loan' or 'guarantee,' this gives an excuse for the seller not to report the liability. Latvia didn't report the 190 million liability from the Parex option in the national debt calculation. Some people from the Latvian government, when questioned about this option which officially didn't exist, said that it wasn't a liability because it was optional whether the EBRD would exercise it. Seriously? If the EBRD paid 80 million to buy the worthless Parex stake and didn't use the option, then it would lose the 80 million. The only reason the EBRD paid the 80 million because of the secret option to get 190 million back from the seller.

The UK SFO and EU EPPO have written to me that the reason they refuse to stop the EBRD is because they don't have jurisdiction. The EBRD has immunity from law. Those responses from the UK SFO and EU EPPO should have been published in every major newspaper in all of the 77 countries funding the EBRD so that everyone would be aware that the EBRD is a fraud but has immunity. However few journalists have written about this. Most journalists don't understand it or are afraid of it.

To illustrate the confusion caused by this policy of making secret reversions for sales of worthless assets, my award-winning 2024 documentary 'Bankers Game' includes a statement from former Latvian Prime Minister Laimdota Straujuma. She is from the same political party as Dombrovskis and succeeded him. She wrote to my team that she didn't know why the EBRD liability was designated confidential. She could not see anything wrong with the cover-up. Paying 190 million for 80 million seemed logical to her. But some people in the government must have understood this was fraud or else they wouldn't have made it a state secret. She also claimed to be unaware there was a whistleblower from Parex, which is odd since there have been three televised documentaries produced in Latvia about my whistleblowing and the cover-up. These were aired by small independent television stations, and maybe she doesn't watch those stations, however I'd think her staff would have informed her? The Parex looting and cover-up was the largest financial crime in Latvian history so it's strange that the prime minister never heard of it.

Even though American, British, and European authorities are choosing to let the fraud run, there are ways this house-of-cards can collapse. If government control changes in any of the victim countries, any new governments will have clear grounds to refuse to pay for the secret reversions.

ASSETS HAVE FAKE VALUES

The Report includes a statement, 'EBRD investments are aimed at making the economies in its regions competitive, well governed, green, inclusive, resilient and integrated.' Not a word of that is true unless by 'integrated' they mean 'integrated with Putin.'

The EBRD always boasts about the large amounts of money it invests into developing countries, especially Ukraine. The EBRD's media spin-doctors make it sound like Ukraine would collapse if it weren't for the critical support from the EBRD. The EBRD reported 'total mobilisation' of 26.8 billion euros in 2025, including investments the EBRD made itself plus investments made by other investors under guidance from the EBRD, generally done through off-balance-sheet funds.

While the EBRD boasts of putting 26.8 billion into the developing countries, it is silent about the amount it takes out. Nobody wants to talk about that number, because it's much larger!

Let's consider the EBRD-Parex fraud now focussing on the roll-over into the EBRD-Citadele fraud. I already explained that Parex had a value of zero, the EBRD paid 80 million for a stake, and Latvia reversed that back quietly for 190 million. Something interesting is that the reversion wasn't done completely for cash. Latvia created a new bank and moved the corrupt staff, corrupt deals, shell-company deposits, and fraudulent

What is the EBRD's Citadele asset worth? Citadele started off with assets from Putin-linked Parex and later also bought assets from Putin-linked ABLV. Are those assets real or are they unrecoverable 'loans' (gifts) to oligarchs? Citadele also has massive unreported liabilities since an employee was caught controlling the Marshall Islands shell company at the centre of the 200-billion-euro money-laundering for Putin through Danske Bank's branch in Estonia. The media and government so far are silent about that. However it could blow-up into a public scandal any day.

Let's also consider a fake EBRD asset in Ukraine. The EBRD clearly hurt Ukraine by protecting the money-launderers in Estonia, Latvia, and Lithuania who stole many billions of dollars and euros from Ukraine. But how about EBRD activity inside Ukraine, surely the EBRD must be helping?

Megabank of Ukraine was owned by an oligarch who also ran a state company. The purpose of this arrangement was to embezzle money from the state company through the bank. The EBRD arrived years ago and claimed to make an investment in Megabank. This gave legitimacy to Megabank which expanded its retail banking activity. Then in 2022, the Ukrainian central bank announced Megabank was insolvent because of 'insider lending.' Much of that insider lending was done while the EBRD was shareholder. This should have been a surprise to anyone who thought the EBRD would improve governance.

How much money did the EBRD lose by investing in Megabank? The answer is that the EBRD didn't lose money and instead make a huge profit paid by uninformed Ukrainian taxpayers. It was the same as Parex Latvia and Ukio Lithuania. All of those banks got looted by oligarchs. The EBRD designed cover-ups to protect those oligarchs and got paid secret massive profits by taxpayers who have no idea what happened because their governments and the EBRD kept everything secret.

The most surprising thing I discovered from reading the EBRD 2025 Report is that Ukraine isn't the top destination for EBRD investments. The top country is Turkey. From the 36 developing countries, which I call the victim countries, Turkey was #1 receiving a tenth of the investment in 2025. At the end of 2025, the EBRD had 5 billion euros of outstanding loans in Turkey compared with 3 billion euros of outstanding loans in Ukraine. Turkey has the same autocratic leader, Recep Erdogan, for 23 years. He wins every election, despite his backfiring economic policies, by putting oppositionists in prison. When the EBRD invests in a country, the country loses because the money goes to corruption and taxpayers make secret large payments back to the EBRD. You could say the EBRD is attacking the Turkish people by investing there. However maybe the outcome is different for the Turkish people who are Erdogan's cronies?

Next we can consider Turkey's ally Azerbaijan. KGB dictator Ilham Aliyev's captive money-laundering institution is the International Bank of Azerbaijan which is funded by the EBRD. While Aliyev's army was attacking Armenian villages, he imprisoned Putinist money-launderer Ruben Vardanyan. Vardanyan is known for running Troika Dialog in Russia and Ameriabank in Armenia. A strange thing happened after Vardanyan was arrested. He sold (under duress, which means the sale is invalid) his stake in Ameriabank to Bank of Georgia. I guess this means Ameriabank, partly owned by the EBRD, is clean now?

Think again. Bank of Georgia is controlled by Georgians who are cronies with Bidzina Ivanishvili, the KGB man who controls Georgia for Putin. He is routinely ordering police to beat and arrest anti-corruption activists, similar to Putin, Erdogan, and Aliyev. No prizes for guessing who funds Bank of Georgia. Again, the EBRD!

I won't go into the situation in the five dictatorships of Central Asia. Those dictators, who support Putin's aggression against Ukraine, are also all funded by the EBRD.

LIABILITIES, CASH FLOW FROM SELLING FRAUDULENT BONDS

In 2025, the EBRD issued 20.8 billion euros of new bonds. This was up from 2024, when the EBRD issued 18.7 billion euros of new bonds. 'Debts evidenced by certificates' which are outstanding bonds the EBRD sold to investors increased from 53.8 billion euros in 2024 to 57.0 billion euros in 2025.

Although the numbers are presented in euros, the actual bonds were denominated in euros, dollars, pounds, and other currencies. Many investors around the world are getting cheated. And just because UK and EU authorities think it's ok for the EBRD to sell fraudulent bonds, this shouldn't give a green light for the EBRD to sell fraudulent bonds to investors outside the UK and EU.

mean the governments, auditors, and ratings agencies know, however citizens, voters, taxpayers, and creditors don't know.

Consider Latvia which, officially, had a national debt of USD 2 billion in 2004 and USD 18 billion in 2026. Those figures are understated but anyway illustrate the growing problem. During these years, multiple large heists were carried out including not only the EBRD-Parex and EBRD-Citadele frauds but also other frauds like OIK, South Bridge, Solaris Bus, Liepajas Metalurgs, Air Baltic, Rail Baltic, and more with nobody prosecuted and no money recovered. Also, Latvia's population plunged from 2,250,000 in 2004 to 1,830,000 in 2026.

Logical people should understand that as the national debt skyrockets and the population plunges, the likelihood of Latvia repaying its debt decreases. But Fitch, Moodys, and S&P keep giving Latvia upgrades! This absurdity highlights a major international problem: the ratings agencies are totally corrupt.

EQUITY IS FAKE

EBRD members equity at the end of 2025 was 29.2 billion euros of which 10.0 billion was 'paid in.' In addition to capital that shareholders have 'paid in' are amounts pledged but not paid in which are 'callable.'

The EBRD treats 'callable' capital as something it can automatically get whenever it wants. However the most likely scenario how the EBRD will collapse is that evidence of their fake 'unique' reversible investments in Putin's money-laundering banks will get into the mainstream media whereupon investors will stop buying EBRD bonds and all 36 victim countries will sue the EBRD. When this happens, nobody who pledged capital will pay up. If you pledged to make a donation to an anti-Putin charity, and then you discovered the charity was fake and really was a front for Putin, would you make good on your pledge?

The EBRD wrote that countries buying EBRD stock are making decisions 'not primarily driven by the financial returns.' This would make sense if the EBRD helped poor people and the environment, since some contributors might see this as charity rather than investment. However, I can't see how anyone could view the EBRD as a charity considering that it is using fraud to protect Putin's money laundering system at a time when Putin is attacking multiple countries and threatening nuclear war.

The Report mentions that the paid-in capital from shareholders is 'puttable.' In other words, the EBRD has guaranteed to pay back the investment if any shareholder wants to get out. This concept will be mind-blowing to anyone familiar with stock investing. Have you ever purchased a stock where you received a guarantee that you could reverse the purchase and get back your original investment in case the value goes down? No of course not because such a guarantee would be irrational, impossible, and pure fraud.

CALL TO ACTION

The problems caused by the EBRD are growing. The EBRD is supporting Putin and other warmongering dictators. And the EBRD is using fraudulent financial reports supported by corrupt auditors and ratings agencies to sell billions of euros of bonds to investors who have no idea what the EBRD is doing.

Since our governments aren't taking any action besides giving more of our money to the EBRD every year, journalists and activists should step in. I encourage everyone who is a journalist to write and publish articles explaining the EBRD fraud. I encourage everyone who is an activist with a social media presence to put the EBRD fraud on their blogs and podcasts.

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